

## **APPENDIX K**

### **CASH MATCH REQUIREMENT FOR PTA APPLICATIONS**

#### **STATUTORY AND REGULATORY AUTHORITY**

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State CDBG statute (Health and Safety Code, Section 50833) requires each applicant to contribute cash match as a percentage of the total PTA application amount. As well, proposed State CDBG Regulation changes will remove the regulation requiring a complex and inequitable calculation to determine the percentage of required cash match, and will allow all pertinent funding information to be put in the NOFA. Thus, for each funding round, the required Cash Match will be announced in the NOFA.

#### **CASH MATCH REQUIREMENTS**

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The CDBG Cash Match requirement for this NOFA is **5%**. Each applicant must commit **5%** of the PTA application amount as cash match. *Note that Program Income cannot be used toward a jurisdiction's cash match requirement.*

#### **LOCAL COMMITMENTS OF CASH MATCH**

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Cash match is typically committed by the applicant in the same resolution that approves the submittal of the application.

Regardless of the source of cash match, whether third party organization or local jurisdictional funds, the jurisdiction itself is ultimately responsible for providing the cash match regardless of the source's ability to deliver on its commitment. Thus, the resolution must identify the required 5% cash match as a commitment by the jurisdiction.

#### **ACCEPTABLE EXPENDITURES OF CASH MATCH ON THE GRANT**

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- Payment of personnel and related costs of the jurisdiction when the jurisdiction's own staff carries out the study or project. The jurisdiction must maintain accurate accounting records to show the cash match was set aside for the grant and that local staff time was accounted for and paid by the cash match.
- Salaries and supplies related to the general administration of the grant.
- Payments of services for any contractors or subcontractors.

#### **ACCEPTABLE SOURCES FOR CASH MATCH**

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- Local general funds or other monies used to pay local staff.

- Local RDA funds.
- Contributions of cash from third party organizations. While such contributions are allowable, the third party is precluded from performing any work under the grant, unless it qualifies as a Subrecipient organization and enters into a Subrecipient Agreement with the grantee. For more information, see the State CDBG Grant Management Manual, Chapter 2 – Program Operators.

Available on our website at: [CDBG Grant Management Manual Chapter 2](#)

- Grantees are ultimately responsible for ensuring the availability and expenditure of the cash match.

**Note: *PROGRAM INCOME CANNOT BE USED AS A JURISDICTION'S CASH MATCH REQUIREMENT.***

**AND**

***THE COMMITMENT OF CASH MATCH FUNDS IN THE AUTHORIZING RESOLUTION MAY NOT INDICATE THE MATCH WILL BE IN-KIND ACTIVITY. THE LOCAL CONTRIBUTION MUST BE CASH MATCH.***

## **CASH MATCH ACCOUNTING**

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Cash match must be identifiable in the jurisdiction's fiscal records and the tracking of expenditures of cash match must be identifiable in audit or fiscal accounting systems.

**Cash match must be fully expended before the grantee spends any of the State CDBG grant award.** Requests for funds will not be approved until all cash match has been verified as fully expended. Reductions in final grant expenditures will not result in a commensurate reduction in the required cash match. If any savings occur, the grantee will have to disencumber or return any State CDBG funds.